



**RCW 51.08.180** states that an independent contractor who provides essentially personal labor is covered by industrial insurance. If the individual provides the labor of others (has their own employees) they are exempt. If the individual provides equipment (beyond ordinary hand tools), and they are not controlled in the use of the equipment, they are exempt. In these instances the individual is providing more than their personal labor.

If the individual does not provide their own employees or equipment in performing the contract, they may still be exempt if they meet the six part test in **RCW 51.08.195**, or the seven part test for the construction trades in **RCW 51.08.181**. The independent contractor must meet ALL of the following tests in order to be exempt.

1. Be free from your direction and control.
2. Perform a service that is outside the course of your business or,  
Perform the service away from all your business locations including all your job sites or,  
Provide a principal place of business from which they perform their services.
3. Be customarily engaged in their own business to provide the services that are performed under the contract or, provide a principal place of business that qualifies for an IRS business deduction.
4. Be considered an independent contractor by the IRS.
5. Have an active account with the Department of Revenue.
6. Maintain his or her own set of books and records showing business income and expenses.

***Additional requirement for the construction trades:***

7. The individual has a valid contractor registration pursuant to chapter **18.27 RCW** or an electrical contractor license pursuant to chapter **19.28 RCW**.

**For your protection, you should check with your local L&I office to verify whether your subcontractor would be considered your covered worker for industrial insurance purposes.**